

LEASE NO. GS-08P-14452

On-Airport Lease
GSA FORM L201D (September 2011)

This Lease is made and entered into between

Telluride Regional Airport Authority

("the Lessor"), whose principal place of business is 1500 Last Dollar Road, Suite 1, Telluride, CO 81435-9159, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(the "Government"), acting by and through the designated representative of the General Services Administration ("GSA"), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

The Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

Telluride Regional Airport, 1500 Last Dollar Road, Telluride, Colorado 81435-9158

together with rights to the use of parking and other areas as set forth herein.

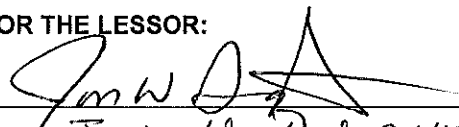
To Have and To Hold the said Premises with their appurtenances for the term beginning upon acceptance of the Premises as required by this Lease and continuing for a period of

5 years, and One (1) 5 year renewal option

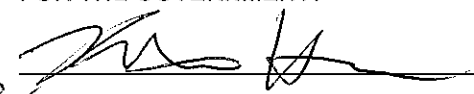
subject to termination and renewal rights as may be hereinafter set forth, to be used for such purposes as determined by GSA. The commencement date of this Lease, along with any applicable termination and renewal rights, shall more specifically be set forth in a Lease Amendment upon substantial completion and acceptance of the space by the Government.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR THE LESSOR:


Name: JON W. DWIGHT
Title: CHAIRMAN
Date: JUNE 21, 2012

FOR THE GOVERNMENT:


Name: Tanya Burks
Title: Lease Contracting Officer
Date: 7/09/12

WITNESSED BY:

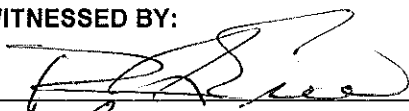

Name: ROBERT ERIE
Title: ATTORNEY
Date: JUNE 21, 2012

TABLE OF CONTENTS

ON-AIRPORT LEASE

SECTION 1	THE PREMISES, RENT, AND OTHER TERMS	3
1.01	THE PREMISES	3
1.02	EXPRESS APPURTENANT RIGHTS	3
1.03	RENT AND OTHER CONSIDERATION	3
1.04	TERMINATION RIGHTS (ON-AIRPORT APR 2011)	4
1.05	RENEWAL RIGHTS	4
1.06	DOCUMENTS INCORPORATED BY REFERENCE (ON-AIRPORT SEPTEMBER 2011)	4
1.07	OPERATING COST BASE	4
SECTION 2	GENERAL TERMS, CONDITIONS, AND STANDARDS	5
2.01	DEFINITIONS AND GENERAL TERMS (SEPT 2011)	5
2.02	AUTHORIZED REPRESENTATIVES (APR 2011)	6
2.03	WAIVER OF RESTORATION (APR 2011)	6
2.04	OPERATING COSTS ADJUSTMENT (APR 2011)	6
2.05	RELOCATION RIGHTS (ON-AIRPORT APR 2011)	6
2.06	RECITALS FOR [REDACTED] (ON-AIRPORT APR 2011)	6
2.07	ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY (SEPT 2011)	6
2.08	ALTERATIONS (APR 2011)	7
2.09	CENTRAL CONTRACTOR REGISTRATION (APR 2011)	7
2.10	SECURITY UPGRADES DUE TO IMMEDIATE THREAT (APR 2011)	7
SECTION 3	CONSTRUCTION STANDARDS AND SHELL COMPONENTS	8
3.01	BUILDING SHELL REQUIREMENTS (APR 2011)	8
3.02	FIRE PROTECTION AND LIFE SAFETY (SEPT 2011)	8
3.03	MEANS OF EGRESS (SEPT 2011)	8
3.04	AUTOMATIC FIRE SPRINKLER SYSTEM (SEPT 2011)	8
3.05	FIRE ALARM SYSTEM (SEPT 2011)	8
3.06	ENERGY INDEPENDENCE AND SECURITY ACT (AUG 2011)	9
3.07	ACCESSIBILITY	10
3.08	TOILET ROOMS (ON-AIRPORT APR 2011)	10
3.09	HEATING VENTILATION AND AIR CONDITIONING (ON-AIRPORT APR 2011)	10
3.10	MECHANICAL, ELECTRICAL AND PLUMBING (APR 2011)	10
3.11	TELECOMMUNICATIONS (ON-AIRPORT APR 2011)	10
SECTION 4	UTILITIES, SERVICES, AND OBLIGATIONS DURING THE LEASE TERM	11
4.01	SERVICES, UTILITIES, AND MAINTENANCE (ON-AIRPORT APR 2011)	11
4.02	PROVISION OF SERVICES, ACCESS, AND ROUTINE HOURS (APR 2011)	11
4.04	HAZARDOUS MATERIALS (APR 2011)	11
4.05	INDOOR AIR QUALITY	12
4.06	RECYCLING	12
SECTION 5	ADDITIONAL TERMS AND CONDITIONS	133
5.01	AIRPORT DE-FEDERALIZED	
5.02	TERM OF THE LEASE	
5.03	PAYEE	
5.04	DELETED PARAGRAPHS	

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES

The Premises are described as follows:

Office and Related Space: 1120 rentable square feet (RSF), yielding 1120 ANSI/BOMA office area (ABOA) square feet (sq. ft.) of office and related space (based upon a common area factor (CAF) of 1.0 percent).

1.02 EXPRESS APPURTENANT RIGHTS

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Government rules and regulations within such areas. The Government will coordinate with the Lessor to ensure signage is consistent with the Lessor's standards. Appurtenant to the Premises and included with the Lease are rights to use the following:

A. **Parking:** 0 parking spaces of which 0 shall be structured inside spaces reserved for the exclusive use of the Government, 0 shall be inside parking spaces, and 0 shall be surface parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

B. **Antennae, Satellite Dishes and Related Transmission Devices:** Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof and use of, all building areas (e.g., chases, plenums) necessary for the use, operation, and maintenance of such equipment at all times during the term of this Lease.

1.03 RENT AND OTHER CONSIDERATION

A. The Government shall pay the Lessor annual rent payable monthly in arrears at the following rates:

Effective Dates	Square Feet	Shell Rent (Annual)	Operating Rent (Annual)	Total Annual Rent	Total Monthly Rent
07/01/2012-12/31/2012	1,120	\$20,469.76	\$0.00	\$20,469.76	\$1,705.81
01/01/2013-12/31/2013	1,120	\$20,469.76*	\$0.00	\$20,469.76*	1705.81*
01/01/2014-12/31/2014	1,120	\$20,469.76*	\$0.00	\$20,469.76*	1705.81*
01/01/2015-12/31/2015	1,120	\$20,469.76*	\$0.00	\$20,469.76*	1705.81*
01/01/2016-12/31/2016	1,120	\$20,469.76*	\$0.00	\$20,469.76*	1705.81*
01/01/2017-06/30/2017	1,120	\$20,469.76*	\$0.00	\$20,469.76*	1705.81*

*The Lessor budgets on a calendar year basis and desires to annually adjust rent due. GSA will process adjusted (stepped) rent upon receipt of notice from Lessor and a determination of reasonableness. The notice shall identify the new annual and monthly rent, as shown on a "Monthly Terminal Rental Worksheet." Notice must be received by GSA no later than December 31st of the calendar year prior to the new rate becoming effective. The Lessor calculates the rent using the following formula: the Annual Budgeted Terminal Expenses (as of the first day of January of each year of the term of this agreement) shall be multiplied by .0686 (1,120 sq. ft used by the Government divided by the total terminal square feet of 16,330), and then divided by 12 (months in year). The result equals the total amount of monthly rent for Terminal Area Space payable by the Government for the month.

B. Rent is subject to adjustment based upon a physical mutual measurement of the Space upon acceptance, not to exceed 1120 ABOA sq. ft. based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. Rent is subject to adjustment based upon the final TI cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease award date.

D. If the Government occupies the Premises for less than a full calendar month, then rent shall be pro-rated based on the actual number of days of occupancy for that month.

E. Rent shall be paid to the Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration.

F. The Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in "Clause 1.01, THE PREMISES," created herein;
 2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses;
 3. Performance or satisfaction of all other obligations set forth in this Lease; and
 4. All services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.
- G. Parking shall be provided at a rate of \$0 per parking space per month (Structure), and \$0 per parking space per month (Surface).

1.04 TERMINATION RIGHTS (ON-AIRPORT APR 2011)

The Government reserves the right to terminate this Lease, in whole or in part, at anytime during the term of this lease with 90 days' written notice to the Lessor if (i) regularly scheduled commercial air services ceases, (ii) the airport opts to replace [REDACTED] screeners with private contractors, (iii) the checkpoint supported by the leased space is closed, or (iv) Government reduces its presence at airport due to a reduction in deplanements. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.05 RENEWAL RIGHTS

This Lease may be renewed at the option of the Government for a term of 5 YEARS. Rental rate(s) to be determined at year 6, provided notice is given to the Lessor at least 120 days before the end of the original lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in force and effect during any renewal term.

1.06 DOCUMENTS INCORPORATED BY REFERENCE (ON-AIRPORT SEPTEMBER 2011)

The following documents are incorporated by reference, as though fully set forth herein:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
GSA Form 3517G, General Clauses	16	B
GSA Form 3518, Representations and Certifications	7	C

1.07 OPERATING COST BASE

The parties agree that, for the purpose of applying the clause titled "Operating Costs Adjustment," the Lessor's base rate for operating costs shall be \$0 per RSF.